

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

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| UNITED STATES OF AMERICA | : Criminal No. |
| v. | : Date Filed: |
| JOHN VITILLO VITILLO CORPORATION VITILLO ENGINEERING, INC. | : Violations: 18 U.S.C. § 666(a)(1)(A) (Theft from program receiving federal funds - 3 Counts) |

INDICTMENT

COUNTS ONE

THE GRAND JURY CHARGES THAT:

At all times material to this Indictment:

A. THE READING REGIONAL AIRPORT AUTHORITY

1. The Reading Regional Airport (“RRA”), located in Berks County, Pennsylvania, was an airport providing air services to commuter and private airplanes and passengers. The RRA was managed by the Reading Regional Airport Authority (“the Authority”), an organization and local governmental agency which received money from the federal government for a number of its programs.

B. THE FEDERAL GRANT MONEY TO THE AUTHORITY

2. The Federal Aviation Administration (“FAA”), an agency of the United States Department of Transportation, provided grants to airports for capital improvements through the Airport Improvement Program (“AIP”).

3. The Authority received grants on a yearly basis from the FAA through the AIP

for projects designated by the Authority in its Airport Capital Improvement Plan (“ACIP”) filed with the FAA. The projects included the Terminal Expansion Project (“the Expansion Project”) that was intended to improve terminal facilities.

4. In 1997, the Authority received AIP grants totaling \$500,000 from the FAA for RRA improvement programs.

5. In 1998, the Authority received AIP grants totaling \$900,000 from the FAA for RRA improvement programs.

6. In 1999, the Authority received AIP grants totaling \$546,595 from the FAA for RRA improvement programs.

7. In 2000, the Authority received AIP grants totaling \$1,125,500 from the FAA for RRA improvement programs.

8. The grant money, set forth in paragraphs 4 through 7 above, was used by the Authority for improvement programs between July 1997 and February 2000.

C. THE DEFENDANTS

9. Between in or about July 1997 and in or about April 1998, defendant JOHN VITILLO was the president of Vitillo Group, Inc., an engineering firm located at 150D Love Road, Reading, Pennsylvania. In or about April, 1998, Vitillo Group, Inc. became defendant VITILLO ENGINEERING, INC.

10. In or about spring 1998, defendant JOHN VITILLO created defendant VITILLO CORPORATION, located at 150D Love Road, Reading, Pennsylvania, a business engaged in construction and engineering activity. Defendant VITILLO ENGINEERING, INC. became a subsidiary of defendant VITILLO CORPORATION.

11. In or about October 1997, Vitillo Group, Inc. was appointed by the Authority as the primary engineer and principal engineer consultant for the Authority and the RRA. In or about April 1998, defendant VITILLO ENGINEERING, INC. assumed Vitillo Group, Inc.'s duties with the Authority and the RRA. Defendant VITILLO ENGINEERING, INC. submitted its bills for services to the Authority through defendant VITILLO CORPORATION.

12. On or about December 10, 1998, a contract was signed between the Authority and defendant JOHN VITILLO making defendant VITILLO ENGINEERING, INC. the construction manager of the RRA Expansion Project with compensation to paid to defendant VITILLO ENGINEERING, INC based upon the number of hours worked by its employees.

13. Defendants JOHN VITILLO, VITILLO ENGINEERING, INC., and VITILLO CORPORATION created fraudulent invoices for submission to the Authority which inflated the number of billable hours allegedly performed by VITILLO ENGINEERING, INC. and VITILLO CORPORATION employees and officers on projects at the RRA, including the Expansion Project.

14. Defendants JOHN VITILLO, VITILLO ENGINEERING, INC., and VITILLO CORPORATION, using the fraudulent billing invoices, fraudulently obtained money from the Authority for work not performed by the defendants, that is approximately \$239,169.

15. Defendant JOHN VITILLO created, and directed employees at VITILLO ENGINEERING, INC., and VITILLO CORPORATION to create, fictitious corporate records for purpose of audit to support the fraudulent billings submitted to the Authority.

16. Between on or about September 1, 1998 and on or about December 31, 1998,

in Berks County, in the Eastern District of Pennsylvania and elsewhere, defendants

**JOHN VITILLO,
VITILLO ENGINEERING, INC.,
and
VITILLO CORPORATION,**

agents of the Reading Regional Airport Authority, an organization which received benefits of over \$10,000 in any one year period, that is 1998, under a federal program involving a grant, contract, subsidy, loan, guarantee, insurance or other form of federal assistance, embezzled, stole, and obtained by fraud, and aided, abetted, counseled, and procured the embezzlement, theft, and fraudulent obtaining of, property valued at \$5,000 or more, that is approximately \$7,801 in payments for work not performed, which money was owned by and under the care, custody and control of the Reading Regional Airport Authority.

In violation of Title 18, United States Code, Section 666(a)(1)(A) and Section 2.

COUNT TWO

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs one through fifteen of Count One are realleged.
2. Between in or about January 1999 and in or about December 1999 in Berks

County, in the Eastern District of Pennsylvania and elsewhere, defendants

**JOHN VITILLO,
VITILLO ENGINEERING, INC.,
and
VITILLO CORPORATION,**

agents of the Reading Regional Airport Authority, an organization which received benefits of over \$10,000 in any one year period, that is 1999, under a federal program involving a grant, contract, subsidy, loan, guarantee, insurance or other form of federal assistance, embezzled, stole, and obtained by fraud, and aided, abetted, counseled, and procured the embezzlement, theft, and fraudulent obtaining of, property valued at \$5,000 or more, that is approximately \$172,360 in payments for work not performed, which money was owned by and under the care, custody and control of the Reading Regional Airport Authority.

In violation of Title 18, United States Code, Section 666(a)(1)(A) and Section 2.

COUNT THREE

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs one through fifteen of Count One are realleged.
2. Between in or about January 2000 and in or about February 2000 in Berks

County, in the Eastern District of Pennsylvania and elsewhere, defendants

**JOHN VITILLO,
VITILLO ENGINEERING, INC.,
and
VITILLO CORPORATION,**

agents of the Reading Regional Airport Authority, an organization which received benefits of over \$10,000 in any one year period, that is 2000, under a federal program involving a grant, contract, subsidy, loan, guarantee, insurance or other form of federal assistance, embezzled, stole, and obtained by fraud, and aided, abetted, counseled, and procured the embezzlement, theft, and fraudulent obtaining of, property valued at \$5,000 or more, that is approximately \$6,749 in payments for work not performed, which money was owned by and under the care, custody and control of the Reading Regional Airport Authority.

In violation of Title 18, United States Code, Section 666(a)(1)(A) and Section 2.

A TRUE BILL:

FOREPERSON

PATRICK L. MEEHAN
United States Attorney